



March 21, 2019

Tarragon
ATTN: Drew Davis
601 Union St., Ste. 3500
Seattle, Wa 98101

RE: Memorandum of Understanding

Dear Mr. Peterson,

Enclosed you will find two copies of the Memorandum of Understanding. Please sign both copies; keep one for your records and return one back to the City; Attention: Pam Baker. Please let us know if you have any questions.

Sincerely,
Deborah Knight
City Administrator

MEMORANDUM OF UNDERSTANDING REGARDING TJERNE PLACE PLAN AREA

THIS MEMORANDUM OF UNDERSTANDING REGARDING THE TJERNE PLACE PLAN AREA (“**MOU**”) is executed and entered into by and between the City of Monroe, a Washington municipal corporation (“**Monroe**”), and Tarragon L.L.C., a Washington limited liability company (“**Tarragon**”).

RECITALS

A. Monroe is interested in working with a qualified developer to build a catalyst development on Monroe-owned property located within the Tjerne Place Area. To that end, Monroe hired a brokerage team from Lee and Associates in August of 2018 to market the property for sale.

B. Since that time, Tarragon has expressed an interest in working with Monroe to realize upon the goals set forth in the marketing material, on a portion of the real property covered by the offering.

C. Monroe is amenable to working exclusively with Tarragon on this possible development strategy, in accordance with the terms of this MOU.

D. The parties desire to evidence their agreement regarding this potential development and these negotiations, as more fully set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Tarragon Proposal. Tarragon is proposing a project that would attempt to meet the general goals of the Tjerne Place Area by providing a horizontally mixed-use residential and commercial development as proposed in the Tjerne Place Plan Area code amendments currently under review by Monroe’s Planning Commission as part of Monroe’s 2019 work plan. Tarragon’s proposal consists of a horizontally mixed-use project which combines 3-story, single-use residential, attached and detached retail buildings on 7 Monroe-owned properties within the Tjerne Place Plan Area identified as APN 2706010011500, -100,-200,-300,-400,-500, and -600.

a. Tarragon believes the proposed project can help meet the goals and objectives of the Tjerne Place Plan Area by providing a catalyst development to draw people from HWY 2 and the Chain Lake Road into Monroe’s commercial district. It is further believed the development will help promote the area as a local and regional draw, enhancing its range of housing, retail and service options. It is viewed as being an economic stimulus not only to Monroe in the form of tax revenue but also to local businesses. The development would provide residential density within proximity to the commercial district and downtown, creating a captive audience to help support local business. It would also help Monroe meet its local demand for housing along with providing

supporting goods and services. In addition, the project would be a benefit to the general public by creating active outdoor spaces that link with the future city park and surrounding amenities.

b. As contemplated by Tarragon, the proposed project would potentially consist of the following:

- Approximately 8-10.25 acres of land.
- Multiple residential buildings containing between 180-250 Units.
- 15,000 SF or more of total retail space providing supporting retail opportunities serving the residents of the new residential buildings as well as the broader community.
- Adequate parking stalls per MMC revisions.
- Outdoor amenity space(s) to facilitate public gathering.

2. Exclusivity & Commitments. In exchange for Tarragon pursuing this development opportunity through expenditure of time and resources, Monroe agrees to work exclusively with Tarragon, on a temporary basis as set forth in this MOU, through the following steps to determine the feasibility of this development. The steps would include:

- a. Tarragon shall present for Monroe's consideration and approval, the Tarragon development concept and purchase price. *(Within 90 days of execution of this MOU)*
- b. Based on approval of the above, Monroe and Tarragon will negotiate and enter into a Letter of Intent ("LOI") to further define the terms of a Purchase and Sale Agreement ("PSA") for the underlying property *(Within 30 days of approval of concept and price pursuant to Subsection 2.a).*
- c. Tarragon will identify and present for Monroe's consideration possible amendments to the zoning regulations applicable to the subject property to be approved by Monroe. *(Concurrent with contingency period in the PSA below)*
- d. Tarragon and Monroe will then negotiate and enter into the PSA, setting forth the terms for the sale of the land to Tarragon, which will include, in addition to other relevant and mutually acceptable provisions: *(Within 90 days of LOI execution)*
 - a. Designated purchase price.
 - b. All contingencies and time periods.
 - c. Acknowledgment that the sale of the land is subject to the negotiation, processing and execution of a Development Agreement ("Development Agreement") between Monroe and Tarragon. The Development Agreement will detail the obligations of both parties and specify the standards and conditions that will govern development of the property.
 - d. Closing timing.
- e. Once the Development Agreement is signed by both parties (condition of closing), the development would proceed as provided therein. *(Timeframe TBD)*

It is expressly understood by the parties that Monroe is a municipal corporation organized under the laws of the State of Washington. Without limitation of the foregoing, it is expressly understood that Monroe will be acting in at least four separate capacities in effectuating the various roles contemplated by this MOU: (i) An administrative capacity (executing the MOU, approving Tarragon's development concept, and executing a Purchase & Sale Agreement for the property); (ii) a legislative capacity (considering and voting upon the future code amendments necessary to accommodate Tarragon's development concept); (iii) a regulatory capacity (ensuring that the proposal complies with applicable City development standards); and (iv) a quasi-judicial capacity (considering and voting upon a development agreement). Tarragon expressly acknowledges and understands that nothing in this MOU will entitle Tarragon to approval of any particular code amendments, waiver or avoidance of any applicable permitting requirements, and/or approval of any project proposals. It is further expressly understood that this MOU and the initial approval identified in Subsection 2. a. would be conceptual only and is not a regulatory approval in any manner.

3. Complete Agreement. This MOU contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the subject matter identified for herein. Except for the "Exclusivity" clause in Section 2 above and Tarragon's obligation to present a development concept and purchase price proposal pursuant to Subsection 2.a, neither party shall be legally bound by this MOU or bound to any transaction involving the subject property until a mutually acceptable Purchase and Sale Agreement is fully executed by both parties (and, in the case of Monroe, approved by the Monroe City Council in an open, public meeting).

4. Term. This MOU shall exist until the later of the expiration of Subsection 2. a. above, or, if conceptual approval is granted pursuant to that subsection, the parties' mutual execution of the LOI identified in Subsection 2.b. During this term, both parties agree to work together on an exclusive basis in good faith and diligence to explore whether the intent of this MOU can feasibly be achieved to the satisfaction of both parties.

5. No Recourse. Notwithstanding any other provision of this MOU, it is expressly understood that Tarragon is not entitled to any refund whatsoever in the event that this MOU ultimately expires and/or the parties' transaction collapses or is otherwise not consummated, and that Tarragon waives any and all recourse to this effect in relation to Monroe.

6. Counterparts. This MOU may be executed in one or more counterparts.

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Effective as of the last date written below.

CITY OF MONROE,
a Washington municipal corporation

By: 

Name: Geoffrey Thomas

Title: Mayor

Date: 3/20/19

TARRAGON, LLC
A Washington limited liability company

By: 

Name: Dennis L. Rattie

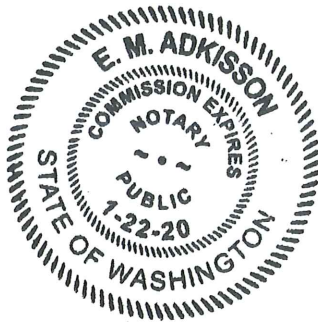
Title: President

Date: 3/26/19

STATE OF WASHINGTON)
 : ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Geoffrey Thomas signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it on behalf of the City of Monroe to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 20, 2019



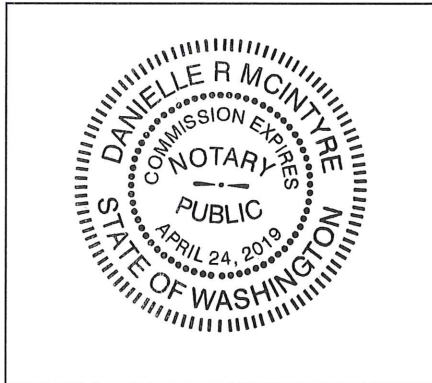
E. M. Adkisson
Print Name: E. M. Adkisson
NOTARY PUBLIC in for the State of
Washington, residing at Monroe, WA.
My commission expires: 01-22-20.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

On this 26 day of MARCH, 2019, before me personally appeared Dennis RATTIE, to me known to be the president of Tarragon, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



(Use This Space for Notarial Seal Stamp)

Danielle R McIntyre
Notary Public in and for the State of Washington,
residing at Seattle, WA
My commission expires: April 24, 2019
DANIELLE R. MCINTYRE
[Type or Print Notary Name]

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CITY OF MONROE,

a Washington municipal corporation

By: 

Name: Geoffrey Thomas

Title: Mayor

Date: 03/20/19

TARRAGON, LLC

A Washington limited liability company

By: 

Name: Dennis L. Rattie


Title: President

Date: 3/20/19

STATE OF WASHINGTON)
 : ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Geoffrey Thomas signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it on behalf of the City of Monroe to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 20, 2019

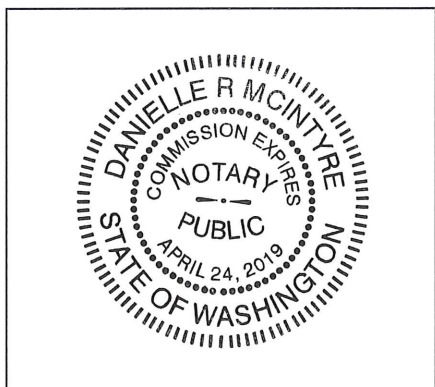

Print Name: E.M. Adkisson
NOTARY PUBLIC in for the State of
Washington, residing at Monroe, WA.
My commission expires: 01.22.2020.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

On this 26 day of MARCH, 2019, before me personally appeared Dennis RATTIE, to me known to be the President of Tarragon, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



(Use This Space for Notarial Seal Stamp)

Danielle R. McIntyre
Notary Public in and for the State of Washington,
residing at Seattle, WA
My commission expires: April 24, 2019
Danielle McIntyre
[Type or Print Notary Name]